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CALIFORNIA STATE LANDS COMMISSION TERMINATES OFFSHORE OIL AND GAS LEASE

EL SEGUNDO, CA - The California State Lands Commission today terminated an offshore oil and gas lease off Gaviota, Santa Barbara County. Under California Law, the offshore area subject to the lease is thereby made part of California's Marine Sanctuary and no further oil and gas leasing and development may occur.

"As Chair of the State Lands Commission, I oppose offshore oil drilling," said Lieutenant Governor Cruz M. Bustamante. "I am pleased with today's action because it will protect our coastal legacy."

Commissioner and State Controller Steve Westly said he is delighted that today's action recaptures an environmental resource that will enhance California's marine ecosystems. "California is reclaiming more than 4,000 acres of marine environment from oil and gas drillers, and preserving it for the enjoyment of future generations of Californians," Westly said. "Preserving these coastal waters is one step in the Commission's ongoing commitment to protect and enhance California's natural resources." After today's action by the Commission, 29 leases have been quitclaimed back to the state; currently, there are 17 leases in state waters producing oil and gas.

This lease, one of three in the Gaviota area operated by Harvest Natural Resources, Inc. (formerly Benton Oil and Gas Company), was a small part of the now terminated gas development. The potential of oil development was not sufficient for Harvest Natural Resources to generate the needed outside investment to continue holding the lease. The two other leases are also being considered for quitclaim.

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